



SEAPORT

NORTH CENTRAL IDAHO: CLEARWATER, IDAHO, LATAH, LEWIS, & NEZ PERCE COUNTIES

EMPLOYMENT TRENDS

Seaport's seasonally adjusted unemployment rate increased in December to 3.7 percent from November's rate of 4.0 percent, as shown in Seaport Table 1. In December 2002, the rate was 5.2 percent. The December decrease in *Total Employment* was unusual because December is traditionally a strong employment month. One of the reasons for the decrease was that holiday hiring lagged behind last year. Starting in October, area retail managers predicted a slow holiday season. Overall, they were right. Stores reported holiday sales in 2003 were down from 2002.

In December, Seaport's *Nonfarm Payroll Jobs* remained near the same level as November 2003, but decreased 1,130 from December 2002. Nearly all sectors contributed to the decreases.

SPECIAL TOPIC: Trade with Canada

The following facts describe, in part, Idaho's economic relationship with Canada, which is the United States' largest trading partner. Idaho had a \$130 million trading gap with Canada in 2002. Residents of Idaho visited Canada 142,000 times and spent \$38 million during the year, while Canadians made more than 211,000 visits to Idaho and spent \$26 million. Idaho's top export to Canada was computers, worth \$21 million. Canada's top export to Idaho was softwood lumber, worth \$87 million. Idaho exported \$46 million in live animals to Canada, which exported \$3 million in live animals to Idaho. Canada imported \$306 million in Idaho goods, while Idaho imported \$436 million in Canadian goods.

In other Canadian/Idaho economic news, the World Trade Organization (WTO) appeals panel in January gave a boost to the United States and Idaho when it reversed most of an earlier ruling that said U.S. special duties on Canadian lumber were illegal. The panel agreed with U.S. claims that lumber from state-owned lands in Canada can be unfairly subsidized if provincial gov-

Seaport Table 1: Labor Force & Employment
Nez Perce County, Idaho and Asotin County, Washington

	Dec 2003*	Nov 2003	Dec 2002	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	35,060	35,500	34,790	-1.2	0.8
Unemployment	1,300	1,430	1,800	-9.1	-27.8
% of Labor Force Unemployed	3.7	4.0	5.2		
Total Employment	33,760	34,070	32,990	-0.9	2.3
Unadjusted					
Civilian Labor Force	35,190	35,340	34,820	-0.4	1.1
Unemployment	1,400	1,370	1,830	2.2	-23.5
% of Labor Force Unemployed	4.0	3.9	5.3		
Total Employment	33,790	33,970	32,990	-0.5	2.4
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	26,180	26,270	27,310	-0.3	-4.1
Goods-Producing Industries	4,400	4,370	4,390	0.7	0.2
Natural Resources & Mining	190	180	240	5.6	-20.8
Construction	1,030	1,010	980	2.0	5.1
Manufacturing	3,180	3,180	3,170	0.0	0.3
Wood Product Manufacturing	560	560	550	0.0	1.8
Food Manufacturing	70	70	100	0.0	-30.0
Paper Manufacturing	1,190	1,190	1,180	0.0	0.8
Other Manufacturing	1,360	1,360	1,340	0.0	1.5
Service-Providing Industries	21,780	21,900	22,920	-0.5	-5.0
Trade, Transportation & Utilities	5,490	5,480	5,580	0.2	-1.6
Wholesale Trade	610	610	660	0.0	-7.6
Retail Trade	3,610	3,610	3,620	0.0	-0.3
Utilities	90	90	90	0.0	0.0
Transportation & Warehousing	1,180	1,170	1,210	0.9	-2.5
Information	350	350	400	0.0	-12.5
Financial Activities	1,570	1,580	1,850	-0.6	-15.1
Professional & Business Services	1,370	1,380	1,430	-0.7	-4.2
Education & Health Services	3,890	3,870	3,970	0.5	-2.0
Leisure & Hospitality	2,580	2,600	2,620	-0.8	-1.5
Other Services	950	950	1,100	0.0	-13.6
Government Education	2,370	2,370	2,440	0.0	-2.9
Government Administration	2,340	2,450	2,650	-4.5	-11.7
Government Tribes	870	870	880	0.0	-1.1

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

ernments sell the wood at below-market price; therefore, the United States has the right to impose extra duties to prevent lower-priced Canadian wood harming U.S. manufacturers. In 2002, the United States imported nearly \$6 billion of softwood lumber from Canada—about a third of the American market. Softwood lumber from pine, spruce, and other trees is a key product in home construction.

AREA DEVELOPMENTS

Clearwater County

- The Orofino City Council approved a request to write a grant application for money to extend the City of Orofino's infrastructure (water and sewer lines) to the property of a proposed Best Western

Motel site planned by Paul Pippenger of Orofino. The application would be submitted to the Idaho Department of Commerce. In addition to building a motel, the plan includes building a convention center, which Orofino currently lacks. One reason a Best Western franchise was chosen was because the chain could book up to 11 rooms per night from reservations made through the national system by people who might never register in the area otherwise. Many members of the council and audience said that a motel with a convention center would bring many groups and organizations to the area for meetings that would otherwise not be held in Orofino.

Idaho and Lewis Counties

- Two Idaho County "bit and spur makers" were featured in a book released nationally and internationally. **Bits & Spurs: Motifs, Techniques and Modern Makers**, written by Ned and Jody Martin, is a 303-page hardcover book which features the story of bit and spur makers in the United States. The book features short profiles on 123 contemporary makers and more than 900 photographs of their work. The two Idaho County businesses featured are Custom Bit and Spur, located in Stites, and Rags Bit and Spur of Grangeville.

Latah County

- Last year was a disappointing year for agriculture. Farmers in Latah County were especially hard hit. Garth Taylor, assistant professor of agriculture economics at the University of Idaho, said Idaho farmers saw profits drop in 2003. Farmers throughout Idaho produced 2.0 percent more product, but received 24 percent less profit last year. Producers sold \$4 billion worth of goods, but received only \$955 million in net farm income. Crops traditionally grown on the Palouse, including wheat, barley and pulse crops, were the least profitable in the state. Wheat declined 3.0 percent, while pulse crops—which include beans, peas, and lentils—dropped 33 percent in cash receipts. Southern Idaho growers had a better year than those on the Palouse. Sugar beets and onions—crops that are not easily grown locally—were profitable. Production of Idaho's famous potatoes, typically grown in the southern part of the state, dropped 23 percent. Cattle and milk made the most money with an entire livestock profit increase of 14 percent from 2002. In 2003 farmers were not only hit with reductions in crop prices, but fixed costs for farmers such as fuel, fertilizer, and equipment, skyrocketed.

Nez Perce and Asotin Counties

- Potlatch announced a layoff of up to 50 workers in the consumer products division at their Lewiston

plant. The decision to downsize is part of Potlatch's plan to control costs in a competitive market by streamlining production and expanding marketing, said Michael D. Sullivan, Potlatch's corporate spokesman in Spokane. "It isn't that we're selling less, necessarily, but the prices we are getting for the product are less than we want them to be and less than they have been," Sullivan said. "We anticipate this isn't a long-term problem. This is kind of a normal cycle that the industry goes through." But Potlatch has no intention of rehiring workers when conditions improve for the division, which makes paper towels, toilet paper, facial tissue, and paper napkins. The changes are not a sign that Potlatch is moving away from a strategy that focuses on consumer products or that the role Lewiston plays in the company is diminishing, Sullivan said. "All you have to do is look at the commitment and investment we have in Lewiston, which is huge," Sullivan said. "Obviously we're not going to walk away from that." Last year hourly employees in consumer products and pulp and paperboard took 3.0 percent wage cuts for about 19 months of a four-year agreement. Some workers lost vacation time. At the time of the negotiations, Potlatch had finished two losing years and was heading into a third; however, the company has turned profits in the two most recent quarters and its stock price is rising.

- The Nez Perce Tribe awarded more than \$200,000 in gaming revenue to area schools in January. "The tribe does not have infinite resources, but we recognize the importance of investing in local school children," said Anthony Johnson, Chairman of the Nez Perce Tribal Executive Committee. The grants, ranging from \$828 to \$15,000, were required by Proposition One, the initiative allowing gambling on tribal lands. Sixteen school districts in an area from Asotin to Potlatch and Kamiah to Riggins received money. As a condition of Proposition One, Idaho tribes must donate 5.0 percent of their net gaming revenue to schools. The Nez Perce Tribe gave about \$50,000 more than required.

Doug Tweedy, Regional Labor Economist
1158 Idaho Street, Lewiston, ID 83501
(208) 799-5000 ext. 3511
E-mail: dtweedy@jobservice.us